

**AmerInst Insurance Group, Ltd.
c/o Cedar Management Limited
25 Church Street, Continental Building
P.O. Box HM 1601
Hamilton, HM GX, Bermuda**

**NOTICE OF ANNUAL GENERAL MEETING
June 5, 2014**

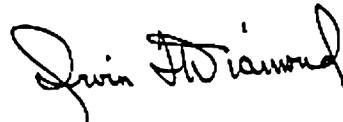
Notice is hereby given that the Annual General Meeting of AmerInst Insurance Group, Ltd. will be held at The Westin Grand Cayman Seven Mile Beach Resort & Spa, Seven Mile Beach, Grand Cayman, Cayman Islands, on Thursday, June 5, 2014, at 10:00 a.m., local time (the "Annual General Meeting"), for the following purposes:

1. To consider and act upon the nomination of each of Irvin F. Diamond, Jeffrey I. Gillman, and David R. Klunk for election as a director with a three-year term;
2. To ratify the appointment of Deloitte & Touche Ltd. as our independent auditor for fiscal year 2014; and
3. To transact such other business as may properly come before the Annual General Meeting or any adjournment thereof.

You can vote at the Annual General Meeting in person or by proxy if you were a shareholder of record on April 14, 2014. Copies of our proxy statement, a proxy card and our annual report accompany this notice. It is important that your shares are represented at the Annual General Meeting whether or not you plan to attend. **To ensure that you will be represented, we ask that you complete, sign, date and return the enclosed proxy card as soon as possible.** We request all shareholders, whether or not they expect to attend the Annual General Meeting in person, to vote their shares. The proxy is revocable at any time prior to its use.

We appreciate your cooperation.

By order of the Board of Directors



Irvin F. Diamond
Chairman of the Board
April 28, 2014

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF
PROXY MATERIALS FOR THE ANNUAL GENERAL MEETING
TO BE HELD ON JUNE 5, 2014.**

The proxy statement and the Company's 2013 annual report on Form 10-K are available at <http://www.amerinst.bm/investorinfo.html>

AMERINST INSURANCE GROUP, LTD.

PROXY STATEMENT

ANNUAL GENERAL MEETING

JUNE 5, 2014

GENERAL INFORMATION

We have sent you this proxy statement because our Board of Directors (the “Board”) is soliciting your proxy to vote your shares of AmerInst Insurance Group, Ltd. at our upcoming Annual General Meeting for 2014, and at any postponement or adjournment thereof. The Annual General Meeting is to be held at 10:00 a.m., local time, on June 5, 2014 at The Westin Grand Cayman Seven Mile Beach Resort & Spa, Seven Mile Beach, Grand Cayman, Cayman Islands.

If your proxy card is properly executed and returned in a timely manner, it will be voted at the Annual General Meeting according to the directions you provide. If you submit a signed proxy card without indicating your vote, the person voting the proxy will vote your shares according to the Board’s recommendations. Your shares will also be voted on any other matters presented for a vote in accordance with the judgment of the persons acting under the proxies. You can revoke your proxy at any time before your shares are voted by delivering a written revocation notice or duly executed form of proxy bearing a later date, prior to the Annual General Meeting, to Secretary, AmerInst Insurance Group, Ltd., c/o Cedar Management Limited, 25 Church Street, Continental Building, P.O. Box HM 1601, Hamilton, HM GX, Bermuda, or by voting in person at the Annual General Meeting.

Our principal executive offices are located at 25 Church Street, Continental Building, P.O. Box HM 1601, Hamilton, HM GX, Bermuda (telephone 441-295-6015). This Proxy Statement is dated April 28, 2014, and we expect to mail proxy materials to you beginning on or about that date. In this Proxy Statement, the words “Company,” “we,” “our,” “ours,” and “us” refer to AmerInst Insurance Group, Ltd. and its subsidiaries. References to “AMIG” refer to our predecessor entity, AmerInst Insurance Group, Inc., a Delaware corporation.

SHARES OUTSTANDING AND VOTING RIGHTS

Only shareholders of record at the close of business on April 14, 2014 are entitled to vote at the Annual General Meeting. The only issued and outstanding voting stock of the Company is our common stock, of which 995,253 shares were outstanding on the record date. Each share of common stock is entitled to one vote. We need at least two persons present in person at the Annual General Meeting and representing in person or by proxy at least one-third of the total issued and outstanding voting common shares to hold the Annual General Meeting.

In order to assure the presence of a quorum, we urge you to promptly complete, sign, date and return the enclosed proxy card, whether or not you plan to attend the Annual General Meeting in person.

Each of the matters intended to be presented to the Annual General Meeting and described in this proxy statement requires the affirmative vote of the majority of votes cast thereon. If you are otherwise entitled to vote, your vote may be cast in person or by proxy. On the proposal to ratify the appointment of Deloitte & Touche Ltd., you can vote to “abstain.” If you vote to “abstain,” your shares will not be counted in the determination of the common shares voting on such matter, but are counted for quorum purposes. Broker non-votes are also not counted in the vote, but are counted for quorum purposes. If you own shares held of record by another person and want to vote in person, you must obtain a legal proxy from the record holder and bring it to the Annual General Meeting.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information as of April 1, 2014, with respect to beneficial ownership of our common shares by each person who, to our knowledge, is a holder of more than 5% of our common shares and each of our directors, director nominees and officers and all directors and officers as a group.

Unless otherwise indicated, the persons named in the table have sole voting and investment power with respect to all shares shown as beneficially owned by them. Except as otherwise noted, all information in the table and the accompanying footnotes is given as of April 1, 2014, and has been supplied by each of the persons included in the table.

Name and Address of Beneficial Owner ⁽¹⁾	Number of Common Shares Beneficially Owned	Percent of Common Shares Beneficially Owned
Jerome A. Harris, CPA ⁽²⁾	7,116	*
Irvin F. Diamond, CPA ⁽²⁾	13,616	1.4%
David R. Klunk, CPA ⁽²⁾	5,616	*
David N. Thompson ⁽²⁾	5,416	*
Jeffrey I. Gillman, CPA ⁽²⁾	6,616	*
Stuart H. Grayston ⁽³⁾	1,668	*
Thomas B. Lillie, CPA ⁽²⁾⁽⁴⁾	7,314	*
Thomas R. McMahon, FCA ⁽⁵⁾	—	—
F. Kyle Nieman III ⁽⁵⁾	—	—
AmerInst Investment Company, Ltd. ⁽⁶⁾	331,577	33.3%
All Directors and Officers as a Group (9 Persons)	47,362	4.8%

* Represents less than 1% of our outstanding common stock.

- (1) The address of each such person is c/o Cedar Management Limited, 25 Church Street, Continental Building, P.O. Box HM 1601, Hamilton, HM GX, Bermuda.
- (2) A director.
- (3) An executive officer and a director.
- (4) Lewis & Knopf, P.C., of which Mr. Lillie is a director, is the record and beneficial owner of 1,899 of the common shares shown and has sole voting and investment power with respect to those common shares. The remaining 5,415 shares are held by the Thomas B. Lillie Trust, of which Mr. Lillie is the sole trustee, and has sole voting and investment power with respect to those common shares.
- (5) An executive officer.
- (6) AmerInst Investment Company, Ltd. is a wholly owned indirect subsidiary of the Company. Under Bermuda law, AmerInst Investment Company, Ltd. is entitled to vote the common shares held by it at the Annual General Meeting. AmerInst Investment Company, Ltd. has indicated that it intends to vote the Company common shares it holds in accordance with the Board's recommendations for each of the proposals.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the U.S. Securities Exchange Act of 1934 requires our officers and directors, and persons who own more than 10% of our common shares, to file reports of ownership with the SEC. These persons are also required to furnish us with copies of all Section 16(a) forms they file.

Based solely upon a review of these reports received by us during 2013 and any written representations from reporting persons, we believe that during 2013 each required Section 16(a) report was filed on time except for one report for one transaction, due to administrative oversight, for David N. Thompson related to the issuance of stock as director fees.

Certain Relationships and Related Persons Transactions

We recognize that transactions between us and any of our directors or executive officers can present potential or actual conflicts of interest and create the appearance that our decisions are based on considerations other than our and our shareholders' best interests. Therefore, as a general matter, it is our preference to avoid

these types of transactions. Nevertheless, we recognize that there are situations where these types of transactions may be in, or may not be inconsistent with, our best interests. Therefore, our ethics policy prohibits us from entering into these types of transactions, except those approved or ratified by the Board of Directors. The Board of Directors has adopted a Code of Ethics applicable to our President and our financial and accounting officers, which may be viewed at our website, http://www.amerinst.bm/Download/CorporateDocuments/Code_of_Business_Conduct_and_Ethics.pdf. Our Code of Ethics is designed to comply with Securities and Exchange Commission requirements. We will disclose any amendments to, or waivers from, the Code of Ethics on our website within four business days of such determination. The Company does not have any formal policy in writing separately addressing transactions reported under Item 404(a) of the SEC's Regulation S-K. The only transaction during 2013 reportable under Item 404(a) was the payment for management services to Cedar Management Limited ("Cedar Management"). This payment was made pursuant to the Company's management agreement with Cedar Management, which was approved at the time it was originally entered into and at the time of each subsequent amendment by all of the Company's directors not affiliated with Cedar Management. Any amendments, new management agreements or other payments to Cedar Management will be subject to the same approval process.

Cedar Management provides management services to us pursuant to a management agreement. We paid Cedar Management \$320,000 pursuant to this agreement during 2013. Mr. Grayston, a director and President of the Company, was the Vice President of Cedar Management until September 2010 at which time he retired. Mr. McMahon, Treasurer and Chief Financial Officer of the Company, is President and shareholder of Cedar Management. The approximate dollar value of Mr. McMahon's interest in the foregoing transaction, without regard to profits or losses, was \$52,267.

ITEM 1—ELECTION OF DIRECTORS

Our Board currently has seven members. Our bye-laws provide that the Board shall have no less than five and no more than nine members. Our bye-laws divide the directors into three classes. The directors in a given class are elected for a term of three years, and the term of each class expires in successive years. Our Board, upon recommendation of our Governance and Nominating Committee, has nominated Irvin F. Diamond, Jeffrey I. Gillman and David R. Klunk, whose terms expire this year, to stand again for election to the Board. If elected, Messrs. Diamond, Gillman and Klunk would serve three-year terms expiring at the 2017 Annual General Meeting, or until their successors shall have been duly elected and qualified. Unless you otherwise instruct us, your properly executed proxy will be voted for the election of Messrs. Diamond, Gillman and Klunk. If any nominee would be unable to serve, the enclosed proxy confers authority to vote in favor of such other person to serve in place of such nominee as the Board at the time recommends.

Qualifications of Directors

The following paragraphs provide information (i.e., age, all positions held, principal occupation and business experience for the past five years, and names of other publicly held companies for which he serves as a director or has served as a director during the past five years) as of the date of this Proxy Statement about each of the nominees and incumbent directors. While the following paragraphs note certain individual qualifications and skills of our nominees and incumbent directors that contribute to the Board's effectiveness as a whole, we also believe that all of our nominees and incumbent directors have a reputation for integrity, honesty, and adherence to high ethical standards. They each have demonstrated strong leadership skills, business acumen and an ability to exercise sound judgment, as well as a commitment of service to our shareholders. Additionally, there are no family relationships between any of our directors, executive officers, or any person nominated or chosen to become a director or executive officer.

Nominees for Election as Director for a three-year term expiring in 2017

Irvin F. Diamond, CPA, age 72, has been a director of the Company since 1999 and its Chairman since 2007 and was a director of AMIG in 1999. He has been a principal in REDW Business & Financial Resources, LLC, a public accounting firm, since 1974. He is a former member and Vice President of the AICPA Board of Directors and a former President of the New Mexico Society of Certified Public Accountants. Mr. Diamond is a Certified Financial Planner™, an AICPA Personal Financial Specialist and a Registered Investment Advisor. We believe Mr. Diamond's qualifications to sit on our Board include his over 41 years of public accounting experience as well as his other board experiences and his long history with the Company.

Jeffrey I. Gillman, CPA, age 72, has been a director of the Company since 1999. Mr. Gillman has been actively engaged in public accounting since 1964 and the President of Gillman, Shapiro & Dillemoth, P.A., his CPA practice in Stuart, Florida since 1977. He was a former member of the AICPA Professional Liability Insurance Plan Committee, a founding Trustee of the Florida Institute of CPAs Health Benefit Trust and Vice President of the Florida Institute of CPAs. We believe Mr. Gillman's qualifications to sit on our Board include his 50 years of public accounting experience as well as his 17 years of professional liability insurance experience.

David R. Klunk, CPA, age 62, has been a director of the Company since June 2008. Mr. Klunk is a partner with Reinsel Kuntz Leshner LLP, a CPA firm in Pennsylvania, since August 2010 when the firm merged with Philip R. Friedman and Associates LLP, a CPA firm in York, Pennsylvania. He was the Managing Partner of Philip R. Friedman and Associates LLP and was employed there since 1974. He is also a member of the AICPA as well as the Pennsylvania Institute of CPAs. Mr. Klunk is a director and board consultant of several non-public companies, in addition to holding offices and chairing committees of local civic, charitable and religious organizations. We believe Mr. Klunk's qualifications to sit on our Board include his over 40 years of public accounting experience as well as his other board experiences.

The board recommends that you vote "FOR" the election of Irvin F. Diamond, Jeffrey I. Gillman, and David R. Klunk.

Directors Continuing in Office—term expiring in 2015

Thomas B. Lillie, CPA, CFP™, PFS, age 61, has been a director of the Company since 2007. He is a former Principal and current employee of Lewis & Knopf, P.C., a CPA firm in Flint, Michigan where he has been employed since 1974. His experience includes: audits of non-public companies including a dental insurance company, preparation of audit, reviewed and compiled financial statements, preparation of corporate, partnership, estate, trust and personal income tax returns, accounting for small- to medium-sized businesses, assisting business startups, and consulting with businesses to help them increase their net income, future value and develop business succession plans. He is part of Lewis & Knopf's estate, trust and personal financial planning practice. He is a member of the American Association of CPA's, the Michigan Association of CPAs and the Flint Association of Insurance and Financial Advisors. In addition to being a CPA, he is a Certified Financial Planner™ and an AICPA Personal Financial Specialist. He presents on various business & tax topics to local business organizations. We believe Mr. Lillie's qualifications to sit on our Board include his over 39 years of public accounting experience as well as his previous experience managing a seven-partner accounting firm.

Directors Continuing in Office—term expiring in 2016

Stuart H. Grayston, age 73, has been a director and President of the Company since 2002. He was President, Offshore Operations of USA Risk Group from November 2001 until September 2010, and Vice-President and Director of Cedar Management Limited (f/k/a CNA Risk Services Ltd. and successor to USA Risk Group (Bermuda) Ltd.) ("Cedar Management") from October 2008 until September 2010. He was the founder of Grayston Consulting Services and has been its President since 1993. Mr. Grayston was with Frank B. Hall from 1988 to 1992 as President and CEO of their worldwide Alternative Market Division, which included captive management operations in Bermuda, Vermont and Colorado. Prior to 1988, Mr. Grayston was President of Skandia Insurance Management and Hanna Insurance Management in Bermuda, which merged with a captive insurance management firm in Bermuda that Mr. Grayston established in 1977. We believe Mr. Grayston's qualifications to sit on our Board include his over 47 years of insurance, reinsurance and captive management experience as well as his experience on numerous boards and chairing industry associations.

Jerome A. Harris, CPA, age 71, has been a director of the Company since 1998 and its Vice Chairman since 2003. He was a director of AMIG from 1995 to 1999, its Secretary and Assistant Treasurer from 1998 to 1999 and its Assistant Secretary and Assistant Treasurer from 1995 through 1998. Mr. Harris also serves as a director of Sun Holdings LLC, which is a holding company for a proprietary trading company and its subsidiaries and affiliates. He has been the Managing Partner of the Harris Consulting Group, LLC and a Partner in the consulting firm, The Pivotal Factor, LLC, since 2003. He was the Managing Partner of Checkers, Simon & Rosner, LLP, a certified public accounting firm in Chicago, Illinois, from 1978 to 2003. He was Senior Managing Director of American Express Tax and Business Services from 1997 to 2003 and a Partner of Altschuler, Melvoin and Glasser, LLP, a certified public accounting firm, from 1999 to 2003. Mr. Harris was a founding and past board member and past member of the Executive Committee of the Accountants Liability Assurance Company, Ltd., former Chairman of the Illinois CPA Society Insurance Liability Task Force, a former member of the governing council of the AICPA and former Vice Chairman, Secretary and Director of the Illinois CPA Society. We believe Mr. Harris's qualifications to sit on our Board include his over 42 years of public accounting experience as well as his service on numerous advisory boards and his experience as a business owner.

David N. Thompson, age 63, has been a director of the Company since 1998 and its Assistant Secretary since 1999. From 1998 to 1999, he was a director of AMIG. He has been Chairman and Chief Executive Officer of E-Insure Services, Inc., an Internet insurance marketplace, since 1996, and President of Insure Specialists Services, Inc., an insurance consulting firm, since 2004. He also held positions as President and CEO of Millers American Group in 1998 and 1999 and as Senior Vice President—Mergers and Acquisitions at Meadowbrook Insurance Group, Inc., in 1998. Prior to 1998, Mr. Thompson was the Practice Leader of the Alexander and Alexander Affinity Group, and Chairman, President and Chief Executive Officer of Crum & Forster Managers Group, an underwriter of property and casualty insurance and the predecessor to Coregis Insurance Company. He is also an inactive CPA. We believe Mr. Thompson's qualifications to sit on our Board include his significant insurance experience as well as his experience as a business owner.

Non-Director Executive Officers

Thomas R. McMahon, FCA, age 51, has been the Treasurer and Chief Financial Officer of the Company since July 2008. Mr. McMahon has been the President, a director and a shareholder of Cedar Management, the Company's management company, since 2005, and was the Chief Operating Officer of CNA Risk Services Ltd. from 1994 through 2005. Cedar Management offers management services for agencies, associations and insureds wishing to form and operate a captive insurance company. Since his arrival in Bermuda in 1988, Mr. McMahon has been engaged in various aspects of the captive insurance industry from public auditing with PricewaterhouseCoopers to the establishment and management of captive insurance companies. Mr. McMahon graduated with honors with a Bachelors of Commerce degree from the University College Galway, Ireland and is a Fellow of the Institute of Chartered Accountants in Ireland.

F. Kyle Nieman III, age 54, has been the President and Chief Executive Officer since 2009 of AmerInst Professional Services, Limited ("APSL"), a Delaware corporation and wholly owned subsidiary of AmerInst Mezco, Ltd., which is a wholly owned subsidiary of the Company. Mr. Nieman was Vice-President of Underwriting for CNA Financial Corporation from 1994 through 2006, Senior Vice-President of CNA Financial Corporation from 2006 through 2008 and an independent contractor for APSL during 2009. Mr. Nieman holds a Bachelors of Science degree from Indiana University and a Masters of Business Administration from the Illinois Institute of Technology.

Directors

The following is a list of our directors:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Irvin F. Diamond	72	Chairman of the Board
Jeffry I. Gillman	72	Director
Stuart H. Grayston	73	Director and President
Jerome A. Harris	71	Vice-Chairman of the Board
David R. Klunk	62	Director
Thomas B. Lillie	61	Director
David N. Thompson	63	Director and Assistant Secretary

Board Leadership Structure

Our Board is led by a Chairman. At present, the positions of President (our principal executive officer) and Chairman are held by different persons. The Board does not have a formal policy as to whether the roles of Chairman and President should be separate. At this time, the Board has determined that separating these roles and having an independent director serve as Chairman of the Board is in the best interests of the Company and its shareholders. The President supervises and administers all of the general business and affairs of the Company and the Chairman sets the agenda for and presides over meetings of the Board. The Board believes that this structure helps to separate the role of the Chairman in managing the Board, which serves in an oversight capacity, from the responsibilities of the President in managing the day-to-day operations of the Company

Risk Management

The Board believes that risk management is an important component of our corporate strategy. Although the full Board has responsibility for the general oversight of risks, it primarily conducts its risk oversight function through committees, including the Audit Committee and the Governance and Nominating Committee, as well as other committees. The Board is regularly informed through committee reports about our risks and discusses and reviews with management major policies with respect to risk assessment and risk management. Finally, the Board believes the separated roles of Chairman and President (our principal executive officer) assists us in our ability to implement major policies addressing our risks.

Independent Directors

Our Board has determined that Messrs. Diamond, Gillman, Harris, Klunk and Lillie are independent members of our Board under the Nasdaq Marketplace Rules. There were no transactions, relationships or arrangements considered by the Board of Directors in determining the independence of the foregoing directors which were not disclosed pursuant to Item 404(a) of Regulation S-K.

Meetings and Committees of the Board

There were six standing committees of the Board during 2013, constituted as follows:

<u>Committee</u>	<u>Members</u>
Audit Committee	Messrs. Gillman (chair), Lillie and Klunk
Finance Committee	Messrs. Klunk (chair), Grayston and Gillman
Investment Committee	Messrs. Lillie (chair), Thompson and Grayston
Governance and Nominating Committee	Messrs. Harris (chair), Thompson and Lillie
Strategic Planning Committee	Messrs. Grayston (chair), Diamond, Harris and Thompson
Underwriting, Actuarial and Reinsurance Committee	Messrs. Thompson (chair), Harris and Lillie

The six standing committees, have and may exercise the full power of the Board on matters within the scope of the respective committee's functions, including: the annual audit of our financial statements; review and approval of our fiscal year budget; our investment activity and consideration of various opportunities and options available to us; consideration of nominees to the Board; coordination of press releases and other communications with the public; ownership, transfer or redemption of our common shares; and the review and negotiation of reinsurance contracts.

Because none of our executive officers, other than Mr. Nieman, now receive, nor have historically received, compensation from us for their position as an officer of the Company, we do not have a compensation committee. Our Board collectively participates in the consideration of compensation paid to Mr. Nieman and to our directors, including compensation for service as a member or chair of a Board committee, which is set by the Board based on factors the Board deems relevant in making such determinations. Our President, Mr. Grayston, continues to not receive compensation for his position as President, but began receiving compensation in September 2010 for his position as a director of the Company. No executive officer is involved in the determination of executive compensation nor do we engage compensation consultants. Our Board has determined that Messrs. Diamond, Gillman, Harris, Klunk and Lillie would qualify as independent under applicable rules for compensation committees.

The Board held a total of three meetings during 2013. All of our directors attended at least 75% of all Board meetings and committee meetings on which each director serves. During 2013, the Audit Committee met seven times; the Finance Committee met four times; the Investment Committee met eight times; the Governance and Nominating Committee met six times; the Strategic Planning Committee met seven times; the Underwriting, Actuarial, and Reinsurance Committee met 10 times.

The Board has adopted a written charter for the Audit Committee which is available at http://www.amerinst.bm/Download/CorporateDocuments/Audit_Committee_Charter.pdf. The Audit Committee has the authority to consider the qualifications of our independent auditors and make recommendations to the Board as to their suitability for recommendation to the shareholders for appointment; approve any material, non-audit services to be rendered by such independent auditors; and review and resolve any differences of opinion between such independent auditors and management concerning our financial statements. The Audit Committee's functions include selecting our independent auditors; reviewing the arrangements for, and scope of, the independent auditors' examination; meeting with the independent auditors and certain of our officers to review the adequacy and appropriateness of our system of internal controls and reporting, our critical accounting

policies, and our public financial disclosures; ensuring compliance with our code of ethics; and performing any other duties or functions deemed appropriate by the Board. Messrs. Gillman, Lillie and Klunk are currently the members of the Audit Committee. Our Board has determined that all of the members of the Audit Committee satisfy the independence requirements for audit committee members under the Nasdaq Marketplace Rules and that each member of the Audit Committee qualifies as an “audit committee financial expert” under the rules and regulations of the SEC.

We do not have a formal policy regarding attendance by members of our Board at our annual general meetings, although we strongly encourage our directors to attend such meetings. All of our directors attended the 2013 Annual General Meeting.

Board Member Nominations

The Governance and Nominating Committee operates under a written charter, which is available at <http://www.amerinst.bm/Download/CorporateDocuments/AIGGovCtr.pdf>.

The Governance and Nominating Committee reviews and makes recommendations to the full Board regarding the composition and size of the Board so that the Board consists of members with the proper expertise, skills, attributes, and personal and professional backgrounds needed by the Board, consistent with applicable Nasdaq Marketplace Rules. The Governance and Nominating Committee believes that all directors, including nominees, should possess the highest personal and professional ethics, integrity, and values, and be committed to representing the long-term interests of our shareholders. The Governance and Nominating Committee endeavors to have a Board of which all the members have experience in the accounting profession and a background in the business of professional liability insurance or similar areas. The Governance and Nominating committee will consider, when appropriate, other criteria useful to the Company’s current and prospective businesses in the nomination process. The Governance and Nominating Committee does not have a formal policy on diversity.

If you are a shareholder entitled to vote at our Annual General Meetings, you may nominate one or more persons for election as a director at the Annual General Meeting. The Governance and Nominating Committee will consider recommendations for nominees for directorships submitted by shareholders and will apply the same evaluation to such recommendations submitted by a shareholder as recommendations submitted by any other person or entity. Shareholders who wish the Governance and Nominating Committee to consider their recommendations for nominees for director should submit their recommendations in writing to the Governance and Nominating Committee in care of the Secretary of the Company at the Company’s principal executive offices, in the manner described in the section below entitled “Shareholder Proposals for the 2014 Annual General Meeting.” Our Board has determined that all of the members of the Governance and Nominating committee are independent as determined under the Nasdaq Marketplace Rules.

Shareholder Communications with the Board of Directors

Any shareholder or other interested party who has a concern or inquiry regarding the conduct of the Company may communicate directly with either the Company’s independent directors or the full Board. Shareholder Relations will receive all such communications on behalf of the non-employee directors and the full Board. Communications may be confidential or anonymous, and may be submitted in writing to Shareholder Relations, AmerInst Insurance Group, Ltd., c/o Cedar Management Limited, 25 Church Street, Continental Building, P.O. Box HM 1601, Hamilton, HM GX, Bermuda. All written communications will be received and processed by the Secretary of the Company and all substantive communications will be referred to Shareholder Relations. All such communications will be reviewed and, if necessary, investigated and/or addressed by Shareholder Relations and the status of such communications will be reported to the full Board on a quarterly basis.

Report of the Audit Committee

The report of the Audit Committee is as follows:

TO OUR FELLOW SHAREHOLDERS:

Management has primary responsibility for the integrity of our financial information. Deloitte & Touche Ltd. has audited our financial statements in accordance with generally accepted auditing standards and expressed an opinion on our financial statements based on those audits. Your Audit Committee is responsible for overseeing the conduct of these activities by management and Deloitte & Touche Ltd.

As part of our responsibility, the Audit Committee has reviewed and discussed the audited financial statements with management and Deloitte & Touche Ltd. The Audit Committee has also discussed with Deloitte & Touche Ltd. the matters required to be discussed by statement on Auditing Standards No. 114, *The Auditor's Communication with those Charged with Governance*, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Accounting Oversight Board in Rule 3200T. The Audit Committee has received the written disclosures and the letter from Deloitte & Touche Ltd. required by applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte & Touche Ltd.'s communications with the Audit Committee concerning independence, and has discussed with Deloitte & Touche Ltd. that firm's independence.

Based upon these reviews and discussions, the Audit Committee has recommended to the Board of Directors that our audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2013 for filing with the U.S. Securities and Exchange Commission.

By the Audit Committee:

Dated March 18, 2014

Jeffrey I. Gillman, Chairman
Thomas B. Lillie
David R. Klunk

This report shall not be deemed to be incorporated by reference by any general statement incorporating by reference the Proxy Statement into any filing under the Securities Act of 1933, as amended, or Securities Exchange Act of 1934, as amended (collectively, the "Acts"), and shall not otherwise be deemed filed under the Acts.

Director Compensation

Our full Board sets the compensation for the directors of the Company. The Board generally considers whether any change from the prior year's compensation is appropriate to account for inflation or other factors the Board may deem appropriate. Currently, the directors are paid an annual retainer of \$25,000. Of this amount, \$15,000 is paid in the common shares of the Company. Beginning in 2014, the annual retainer for the Company's directors will remain \$25,000 although only \$10,000 will be paid in common shares of the Company and the remainder will be paid in cash. At this time, the Board has not determined whether the new structure of the annual retainer payment for directors will continue in subsequent years beyond 2014.

In addition to the annual retainer, the directors are also paid \$700 per half-day for each Board meeting and \$175 per hour for each committee meeting attended during the calendar year. Directors are entitled to receive compensation and reimbursement for expenses incurred in attending board or committee meetings or when otherwise acting on our behalf. The Chairman of the Board, as well as the chairman of the Audit Committee, each receives an additional annual retainer of \$10,000. The chairman of each other committee receives an additional annual retainer of \$5,000.

The following table discloses the compensation received by each of our directors in 2013:

DIRECTOR COMPENSATION

<u>Name</u>	<u>Fees Earned or Paid in Cash (\$)</u>	<u>Stock Awards⁽¹⁾ (\$)</u>	<u>All Other Compensation (\$)</u>	<u>Total (\$)</u>
Jerome A. Harris	\$80,100	\$15,000	\$12,280 ⁽²⁾	\$107,380
Irvin F. Diamond	56,225	15,000	18,855 ⁽³⁾	90,080
David R. Klunk	44,750	15,000	2,692 ⁽⁴⁾	62,442
David N. Thompson	67,769	15,000	8,892 ⁽⁵⁾	91,661
Jeffry I. Gillman	50,538	15,000	3,192 ⁽⁴⁾	68,730
Thomas B. Lillie	50,000	15,000	3,541 ⁽⁶⁾	68,541

- (1) As part of their retainer fee for service on the Board from June 2013 until the 2014 Annual General Meeting, the directors were awarded grants of stock with a grant date fair value of \$15,000 computed in accordance with FASB ASC Topic 718.
- (2) This amount includes dividends in the amount of \$3,442 and \$8,838 for work performed for APSL.
- (3) This amount includes dividends in the amount of \$6,692 and \$12,163 for work performed for APSL.
- (4) This amount includes dividends.
- (5) This amount includes dividends in the amount of \$2,592 and \$6,300 for work performed for APSL.
- (6) This amount includes dividends in the amount of \$950 paid on shares owned of record by Lewis & Knopf, P.C., of which Mr. Lillie is a director, and dividends in the amount of \$2,591 paid on shares of which the Thomas B. Lillie Trust is the record owner. Mr. Lillie is the sole trustee of the Thomas B. Lillie Trust.

Executive Officers

All of our executive officer positions, except for the (i) President and Chief Executive Officer of APSL and (ii) the Treasurer and Chief Financial Officer of the Company, are filled by directors of the Company or its affiliates without any salary or other compensation for service. We have a management agreement with Cedar Management, pursuant to which Cedar Management has agreed to provide management services to us. This agreement is described under “Other Matters—Certain Relationships and Related Transactions.” Stuart Grayston, our President, was formerly a director and officer of Cedar Management until September 2010, and Thomas R. McMahon, our Treasurer and Chief Financial Officer, is currently an officer, director and employee of Cedar Management. Both Mr. Grayston and Mr. McMahon are residents of Bermuda. Mr. McMahon is not separately compensated by us for serving as our Treasurer and Chief Financial Officer.

The following is a list of our executive officers:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Stuart H. Grayston	73	Director and President
Thomas R. McMahon	51	Treasurer and Chief Financial Officer
David N. Thompson	63	Director and Assistant Secretary
F. Kyle Nieman III	54	President and Chief Executive Officer of APSL

The following summary compensation table shows the compensation paid to or received or deferred by Messrs. Nieman III and Grayston for services in all capacities during 2012 and 2013. Mr. Nieman is the sole executive officer compensated directly by the Company in his capacity as an executive officer. Mr. Grayston is also included in the summary compensation table because of his role as our President (Principal Executive Officer). As explained above under the section captioned “Item 1—Election of Directors—Director Compensation,” Mr. Grayston is not compensated as our President, but he does receive compensation from the Company for service on the Board as one of our directors.

SUMMARY COMPENSATION TABLE

(a) <u>Name and Principal Position</u>	(b) <u>Year</u>	(c) <u>Salary (\$)</u>	(d) <u>Bonus (\$)</u>	(e) <u>Stock Awards (\$)</u>	(f) <u>Option Awards (\$)</u>	(i) <u>All Other Compensation (\$)</u>	(j) <u>Total (\$)</u>
Stuart H. Grayston President and Director	2013	\$ —	\$—	\$15,000 ⁽¹⁾⁽⁵⁾	\$—	\$50,718 ⁽²⁾⁽⁵⁾	\$ 65,718
	2012	—	—	15,000 ⁽³⁾⁽⁵⁾	—	48,217 ⁽⁴⁾⁽⁵⁾	63,217
F. Kyle Nieman III President and CEO of APSL	2013	\$262,500	\$—	\$ —	\$— ⁽⁶⁾	\$ —	\$262,500
	2012	250,000	—	—	— ⁽⁶⁾	—	250,000

- (1) As part of Mr. Grayston’s retainer fee for service on the Board from the June 2013 until the 2014 Annual General Meeting, he was awarded grants of stock with a grant date fair value of \$15,000 computed in accordance with FASB ASC Topic 718.
- (2) This amount includes Director Fees earned or paid in cash in the amount of \$50,000 and dividends in the amount of \$718.
- (3) As part of Mr. Grayston’s retainer fee for service on the Board from the June 2012 until the 2013 Annual General Meeting, he was awarded grants of stock with a grant date fair value of \$15,000 computed in accordance with FASB ASC Topic 718
- (4) This amount includes Director Fees earned or paid in cash in the amount of \$47,725 and dividends in the amount of \$492.
- (5) The Director Fees earned or paid in cash to Mr. Grayston during 2013 and 2012 represent remuneration for his service as a director of the Company and his service on certain committees of the board of directors of the Company. Mr. Grayson does not receive compensation as the President of the Company.
- (6) Represents the fair market value of phantom shares issued pursuant to Mr. Nieman’s Employment Agreement which is described in further detail in the section captioned “Executive Employment Agreements” below.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

(a) <u>Name</u>	(c) <u>Number of Phantom Shares That Have Not Vested (#)</u>	(e) <u>Fair Market Value of Phantom Shares That Have Not Vested (\$)</u>
F. Kyle Nieman III		
2013 Phantom Share Award	617	—
2012 Phantom Share Award	601	—
2011 Phantom Share Award	993	—
2010 Phantom Stock Award	<u>38,443</u>	<u>—</u>
Total	40,654⁽¹⁾	\$ 0⁽²⁾

- (1) Reflects phantom shares issued to Mr. Nieman pursuant to his Employment Agreement which will vest on January 1, 2015 or at an earlier date upon the occurrence of certain triggering events as more fully detailed in the section captioned “Executive Employment Agreements” below.
- (2) Determined by subtracting \$1,500,000 from the product of (i) the number of phantom shares and (ii) the current fair market value of the Company’s common stock. Mr. Nieman’s phantom share account currently has no value based on the fair market value of the Company’s common stock.

Executive Employment Agreements

The following is a summary of the terms of the employment agreements or arrangements between the Company and our named executive officers.

Stuart H. Grayston

Mr. Grayston serves as our President but is not compensated for his services as such. Mr. Grayston does receive compensation from the Company for service on the Board as one of directors in the manner described above under the section captioned “Item 1 – Election of Directors – Director Compensation”.

F. Kyle Nieman III

On November 24, 2009, APSL entered into an employment agreement (the “Employment Agreement”) with F. Kyle Nieman III with an initial term ending December 31, 2012 (with automatic one-year renewals thereafter) pursuant to which Mr. Nieman will serve as President and Chief Executive Officer of APSL. On March 1, 2013, APSL and Mr. Nieman agreed to amend the Employment Agreement to increase Mr. Nieman’s base salary by five percent as an adjustment for inflation since the date the Employment Agreement was originally executed. The Company does not believe this this amendment to the Employment Agreement was material. The material terms of the Employment Agreement, as amended, include the following:

- Mr. Nieman’s annual base salary as per the current Employment Agreement will be no less than \$262,500. He will be eligible to receive annual bonuses calculated at 30% of a management incentive bonus pool based on meeting or exceeding certain revenue and operating income targets for APSL. Mr. Nieman’s incentive bonus plan starts accruing benefits once APSL’s 2014 net income before tax, excluding interest, depreciation and amortization (“NI”), exceeds the minimum 2014 NI target of \$360,000, at which time Mr. Nieman will be eligible to an incentive bonus award of \$30,000. Mr. Nieman’s bonus will vary from year-to-year based on a percentage of APSL’s attained NI, which percentage will be determined by the Company’s Board of Directors. To date, no incentive bonuses have been paid to Mr. Nieman under the Employment Agreement.
- Mr. Nieman will be entitled to full participation in all benefits plans and programs for which APSL’s senior officers are or shall become eligible;
- After the first full calendar year of operations and contingent upon Mr. Nieman qualifying for a bonus, Mr. Nieman will be eligible to receive options to purchase shares of Company common stock (“Common Stock”) over a five-year period at the current value of the Common Stock as of the date each option is granted;
- On January 1, 2010, APSL created an account on behalf of Mr. Nieman comprised of approximately 37,509 phantom shares of Common Stock (calculated as \$1,500,000 divided by \$39.99, the then-current value of a share of Common Stock at December 31, 2009). The phantom shares are eligible for phantom dividends at the same rate paid on regular shares of Common Stock. The phantom dividends may be used only to purchase additional phantom shares. The purchase price of the phantom shares will be the then-current value of the Common Stock. As of December 31, 2013, Mr. Nieman’s account consisted of approximately 40,654 phantom shares. Mr. Nieman’s interest in the phantom shares initially deposited in the account and any shares purchased with phantom dividends prior to January 1, 2015 will vest on January 1, 2015. However, such phantom shares will vest immediately if (i) the Employment Agreement is terminated by APSL at the end of the initial term or any renewal thereof, (ii) Mr. Nieman is terminated by APSL other than for cause, (iii) there is a material diminishment by APSL of Mr. Nieman’s duties as President and Chief Executive Officer of APSL, (iv) there is a significant reduction by APSL of Mr. Nieman’s annual compensation or benefits, or (v) there is a change-of-control of APSL other than a transaction between the Company and any of its affiliates or subsidiaries. Any phantom shares purchased with phantom dividends on or after January 1, 2015 will vest immediately. The proceeds of the phantom shares less the initial value of \$1,500,000 are to be paid in cash to Mr. Nieman at age 65, if retired, or within 60 days in the event of his death or permanent disability. If Mr. Nieman is terminated other than for cause, the value of the phantom shares, less the initial value of \$1,500,000, is to be paid in cash at termination. If Mr. Nieman resigns or is terminated for cause, the value of the phantom shares, if vested, less the initial value of \$1,500,000, is to be paid in cash in five equal annual installments on the anniversaries of the date of termination or resignation. If

there is a change in control of APSL, other than a transaction between the Company and any of its affiliates or subsidiaries, Mr. Nieman will have the right to receive the proceeds immediately. In the event of a sale or merger of the Company, for each share of phantom stock held, Mr. Nieman will be paid the per share value used in the sale or the merger, less the initial account value of \$1,500,000;

- If APSL terminates Mr. Nieman other than for “cause,” he is entitled to receive six months of his annual compensation, less all applicable and usual deductions. However, if revenue goals for the annual period preceding termination are met, Mr. Nieman is entitled to receive one year’s annual compensation, less all applicable and usual deductions;
- If Mr. Nieman terminates his employment with APSL, APSL will have no further obligations to Mr. Nieman including, the payment of annual compensation, benefits or any other sums other than as described in the paragraph above. However, Mr. Nieman shall be entitled to sums imposed by the terms of any plans under which he was receiving any benefits, or as otherwise provided by law, and the vested portion of his phantom shares. The proceeds of any phantom shares will be paid to him in five equal annual installments, the first of which would be paid 30 days after the effective date of the termination;
- If Mr. Nieman terminates his employment because APSL materially diminishes his duties as President and Chief Executive Officer of APSL or significantly reduces his annual compensation or benefits, Mr. Nieman would be entitled to all rights and benefits under the terms of this Employment Agreement as if he were terminated other than for “cause”; and
- If Mr. Nieman terminates his employment with APSL under circumstances other than those where APSL has materially diminished his duties, during the 24-month time period immediately following such termination, Mr. Nieman may not work in the State of Illinois in a managerial or executive capacity for any insurance business that is or could be a competitor of APSL. In addition, during that same 24-month time period, Mr. Nieman may not solicit any then-current employees of APSL to work for any insurance business by which he is then employed or in which he otherwise holds an ownership interest.

Nonbinding Advisory Vote on Executive Compensation

At the 2013 Annual General Meeting, 93.6% of our shareholders, represented in person or by proxy, voted in favor of the resolution to approve the Company’s executive compensation, on an advisory basis, and recommended that the Company hold its nonbinding advisory vote on executive compensation on a triennial basis. In accordance with the recommendations of our shareholders at the 2013 Annual General Meeting, we will hold a nonbinding advisory vote on executive compensation every three years. The next nonbinding advisory vote on executive compensation will be held at the 2016 Annual General Meeting. We will also hold a nonbinding advisory vote on the frequency of the advisory vote on executive compensation every six years as required under Regulation 14A of the Exchange Act, with the next vote on the frequency of the advisory vote on executive compensation to be held at the 2019 Annual General Meeting.

ITEM 2—APPOINTMENT OF AUDITOR

Subject to your ratification, the audit committee of our Board of Directors has selected the accounting firm of Deloitte & Touche Ltd. to serve as our independent auditor for 2014. Deloitte & Touche Ltd. has been our independent auditor since 1999.

Audit Fees and Non-Audit Fees

The following table summarizes the fees billed to us by Deloitte & Touche Ltd. for audit and other services for the periods indicated.

	<u>2013</u>	<u>2012</u>
Audit Fees ⁽¹⁾	\$140,320	\$136,230
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total	<u>\$140,320</u>	<u>\$136,230</u>

(1) Audit fees for 2013 and 2012 consist of professional services rendered for the annual audit of our financial statements and review of financial statements included in our quarterly reports, and accounting consultation.

Policy on Audit Committee Pre-Approval of Audit and Non-Audit Services

The audit committee's policy is to pre-approve all audit and non-audit services provided by our independent auditor on a case-by-case basis. In making such determinations, the audit committee considers whether the provision of non-audit services is compatible with maintaining the auditor's independence.

Representatives of Deloitte & Touche Ltd. are not expected to attend the Annual General Meeting. However, they will be available telephonically to respond to appropriate questions.

<i>The Board recommends that you vote "FOR" ratification of the appointment of Deloitte & Touche Ltd. as independent auditor for 2014.</i>
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OTHER MATTERS

Annual Report to Shareholders

We have mailed this proxy statement to each shareholder entitled to vote at the Annual General Meeting. A copy of our 2013 annual report accompanies this proxy statement. Included in the 2013 annual report are our consolidated financial statements for the fiscal year ended December 31, 2013. You may obtain, at no charge, a copy of our Annual Report on Form 10-K for the year ended December 31, 2013 by contacting the Shareholder Services Division in writing at 25 Church Street, Continental Building, P.O. Box HM 1601, Hamilton, HM GX, Bermuda; by phone at (800) 422-8141; or via the Internet at www.amerinst.bm/proxyStatements.html. As required by Section 84 of the Bermuda Companies Act, our consolidated financial statements, including the auditor's report, will be laid before the Annual General Meeting, but no shareholder action will be required concerning those financial statements.

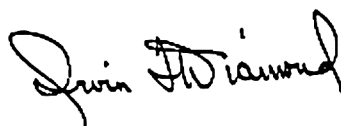
Solicitation of Proxies

We will pay the expenses of the preparation of the proxy materials and the solicitation by the Board of your proxy. We have engaged Broadridge Financial Solutions, Inc. to assist us in the tabulation of proxies, for which we will pay a fee of approximately \$2,000. Our directors, officers and employees and Cedar Management, our management company, none of whom will receive any additional compensation for soliciting, may solicit your proxy by telephone or other means of communication. We will reimburse brokers and other nominees for costs they incur mailing proxy materials.

Shareholder Proposals for the 2014 Annual General Meeting

Shareholder proposals that are to be included in the Proxy Statement for the 2014 Annual General Meeting must be received by December 29, 2014. Shareholder proposals for the 2014 Annual General Meeting that are not intended to be included in the Proxy Statement for that meeting must be received by March 14, 2015, or the Board of Directors can vote the proxies in its discretion on the proposal. Proposals must comply with the proxy rules and be submitted in writing to Secretary, AmerInst Insurance Group, Ltd., c/o Cedar Management Limited, 25 Church Street, Continental Building, P.O. Box HM 1601, Hamilton, HM GX, Bermuda.

By order of the Board of Directors



IRVIN F. DIAMOND
Chairman of the Board
AmerInst Insurance Group, Ltd.